

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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PUBLIC SERVICE
COMMISSION

In the Matter of:

AN EXAMINATION BY THE PUBLIC SERVICE)
COMMISSION OF THE ENVIRONMENTAL)
SURCHARGE MECHANISM OF EAST KENTUCKY) CASE NO.
POWER COOPERATIVE, INC. FOR THE SIX-MONTH) 2014-00051
BILLING PERIOD ENDING DECEMBER 31, 2013)
AND THE PASS-THROUGH MECHANISM FOR ITS)
SIXTEEN MEMBER DISTRIBUTION COOPERATIVES)

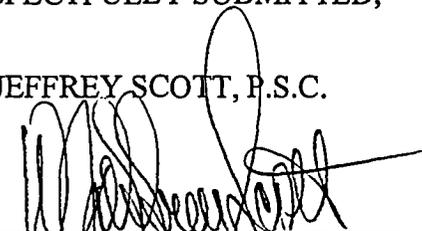
RESPONSE OF GRAYSON RURAL ELECTRIC COOPERATIVE
CORPORATION (GRECC) TO THE THIRD REQUEST FOR
INFORMATION SERVED BY COMMISSION STAFF

Comes now Grayson Rural Electric Cooperative Corporation (GRECC) and herewith
submits its response to the Third Request for Information served by Commission Staff on August
7, 2014.

The Response is executed and sworn to by Don M. Combs, Manager of Finance and
Administration, and is responsive to Items 6-13 wherein the question was addressed to "all member
cooperatives".

RESPECTFULLY SUBMITTED,

W. JEFFREY SCOTT, P.S.C.

BY: 

W. JEFFREY SCOTT
ATTORNEY FOR GRECC
311 WEST MAIN STREET
P.O. BOX 608
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(606) 474-5194

I hereby certify that the original, plus five (5) copies, of the Response of GRECC was filed with the Public Service Commission with a copy served upon all parties of record.

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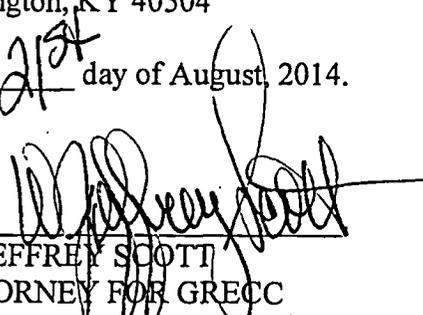
Mr. Donald Smothers
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Mr. Mark Stallons
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Hon. David Samford
Goss-Samford, PLLC
2365 Harrodsburg Road
Suite B325
Lexington, KY 40504

This 21st day of August, 2014.



W. JEFFREY SCOTT
ATTORNEY FOR GRECC

The undersigned, Don M. Combs, as Manager of Finance and Accounting of Grayson Rural Electric, being first duly sworn, states that the responses herein supplied in Case No. 2014-00051, 3rd Request for Information requested by Commission Staff, dated August 7, 2014, are true to the best of my knowledge and belief formed after reasonable inquiry.

Dated: August 21, 2014

Grayson Rural Electric

By: 

Don M. Combs
Manager of Finance and Acct.

Subscribed, sworn to, and acknowledged before me by Don M. Combs, as Manager of Finance and Acct. for Grayson Rural Electric on behalf of said Corporation this 21st day of August, 2014.

My Commission expires 9th day of January, 2015.

Witness my hand and official seal this

21st day of August, 2014.

Mansour A. Al-Hackar
Notary Public in and for State of Kansas Co., KY.



Commission Staff's Third Request for Information
To East Kentucky Power Cooperative Inc.'s
Sixteen Member Distribution Cooperatives

6. Refer to each member cooperative's July 31, 2013 monthly pass through filing.
- a. Provide the numerator used in the calculation of the respective member cooperative's pass through mechanism factor, along with the expense month with which the numerator is associated.

Response:

\$224,813 – July 2013

- b. Provide the denominator used in the calculation of the respective member cooperative's pass through mechanism factor, along with the calculations and the month supporting the calculations of the denominator.

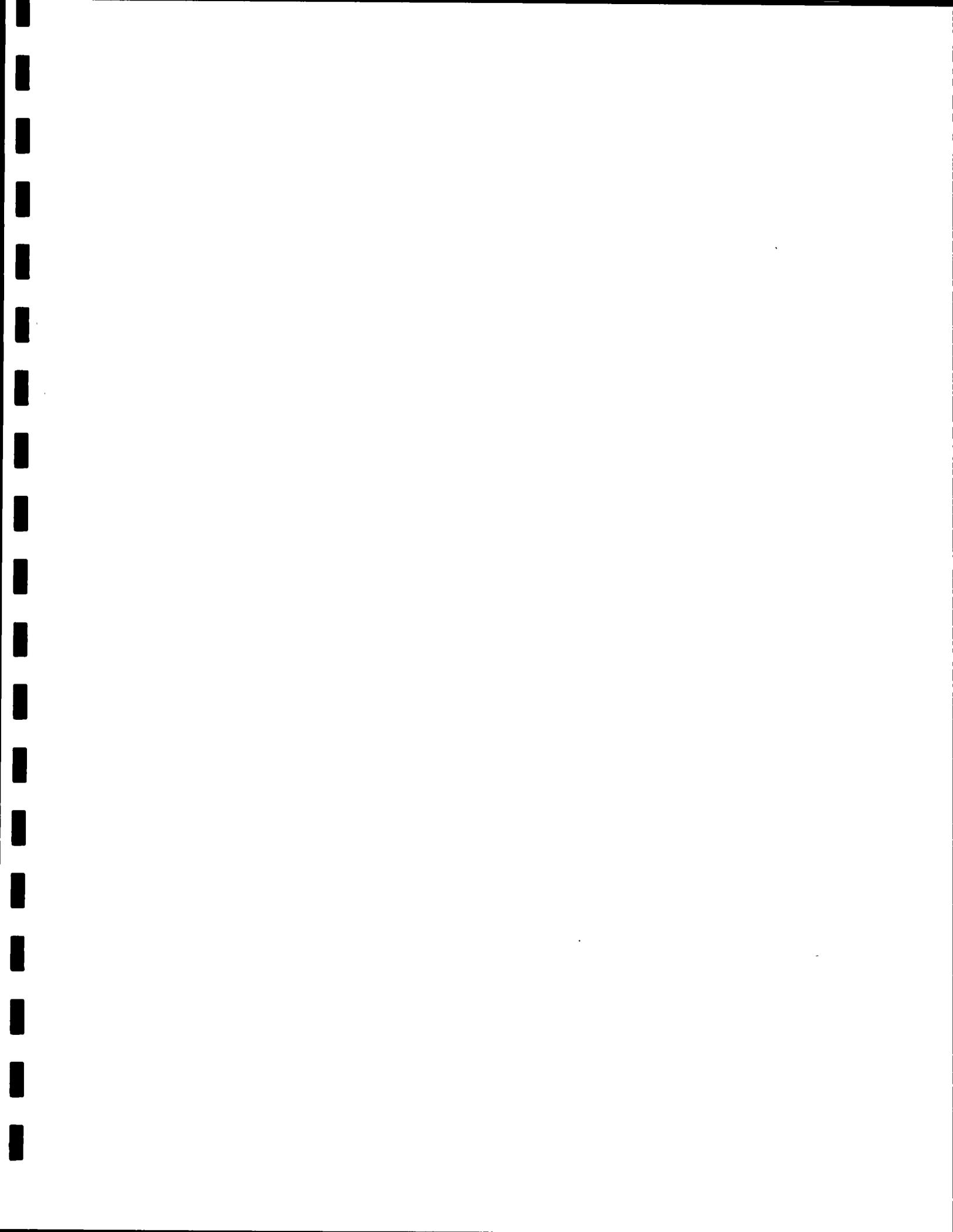
Response:

\$1,428,671 - Grayson's 12 month average expense, ending July 2013.

- c. Provide the month's revenue (amount and month of the year) each member cooperatives pass-through mechanism factor for July 2013 is applied to in arriving at the monthly environmental surcharge revenues recovered.

Response:

\$2,211,397 (August) revenue applied to pass through factor



Commission Staff's Third Request for Information
To East Kentucky Power Cooperative Inc.'s
Sixteen Member Distribution Cooperatives

7. For the month of July 2005, provide the following:

a. Identify the month in which the member cooperative's revenue requirement was used, along with the months in which the member cooperative's 12-month-ended average retail revenue was used in calculating the pass-through mechanism factor.

Response:

May 2005

b. Identify the member cooperative's month revenues (amount and month of the year) the pass-through mechanism factor was applied to arrive at the member cooperative's monthly environmental surcharge revenues.

Response:

\$1,605,525.05 (June 2005)

c. Identify the member cooperatives month revenues (amount and month of the year) and the member cooperative's month expense (amount and month of year) used in calculating any over/under recovery, along with the month the over/under recovery is reflected, in the member cooperative's response to the Information Request of Commission Staff following the June 18, 2014 Informal conference, Item 2.

Response:

Expense: \$ 70,327

Revenue: \$ 70,003



Commission Staff's Third Request for Information
To East Kentucky Power Cooperative Inc.'s
Sixteen Member Distribution Cooperatives

8. For the month of December 2013, provide the following:

a. Identify the month in which the member cooperative's revenue requirement was used, along with the months in which the member cooperative's 12-month –ended average retail revenue was used in calculating the pass-through mechanism factor.

Response:

December 2013

b. Provide the member cooperative's month revenues the pass through mechanism factor was applied to arrive at the member's cooperative's monthly surcharge revenues

Response:

\$3,479,636

c. Provide the member cooperative's month revenue and the member cooperative's month expense used in calculating any over/under recovery, along with the month the over-or under recovery is reflected in the member cooperative's response to Staff's IC Information request, Item 2.

Response:

Expense: \$297,351 (December 2013)

Revenue: \$337,194 (December 2013)

d. If there was a change in the calculations between Item No. 8 ©and Item No. 7©, fully explain the reason for the change and provide any Commission supporting documentation for the change.

Response:

No Change



Commission Staff's Third Request for Information
To East Kentucky Power Cooperative Inc.'s
Sixteen Member Distribution Cooperatives

9. In a month in which there is an amortization of an over-under recovery amount applied in the calculation of the pass-through mechanism factor, do the member cooperatives agree that the pass through factor is a net factor, and the net factors a combination of the pass-through factor that is attributed to the member cooperative's revenue requirement divided by the 12 –month ended average retail revenues and the member cooperative's amortization of any over-or under –recovery amount also divided by the 12-months-ended average retail revenues? If not, explain.

Response

Grayson Rural Electric agrees that in a month when there is an amortization of an over- or under-recovery amount applied in the calculation of the pass-through mechanism factor that the pass-through factor is a net factor. However, Grayson Rural Electric does not agree with the description of the calculation of the pass-through factor as stated in the request. As clearly shown on the monthly "Pass Through Mechanism Report" filed for Grayson Rural Electric, the monthly revenue requirement shown in column 8 is combined with the amortization of over- or under-recovery shown in column 9. The net amount is shown in column 10. The net amount in column 10 is divided by the 12-months ended average net retail revenues shown in column 14, producing the pass-through factor shown in column 15. While the approach described in the request essentially produces the same result mathematically, separate pass-through factor components are not calculated for the monthly revenue requirement and the amortization of the over- or under-recovery.



Commission Staff's Third Request for Information
To East Kentucky Power Cooperative Inc.'s
Sixteen Member Distribution Cooperatives

10. For each of the member cooperatives, provide the following:

a. Does each member cooperative have a monthly Fuel Adjustment Clause ("FAC") that contains a prior month over-or under-recovery mechanism in the calculations?

Response:

Yes

b. If the answer to 10(a) is yes, does each member cooperative remove the prior month over-or under-recovery amount in calculating the current month's over-or-under-recovery amount?

Response:

No.

c. If the answer to 10(b) is no, explain why it is appropriate to remove any over-or under-recovery in the environmental surcharge, but it is not required to remove any over-or under-recovery in the FAG.

Response:

It should be noted that the environmental surcharge is established by KRS 278.183 while the FAC is established by 807 KAR 5:056 and neither explicitly address how over- and under-recoveries are to be handled.

Under the FAC for the Member Cooperatives, the over- or under-recovery from the second previous month is incorporated into the calculations of the current FAC. The current FAC is applied to retail customer bills rendered two months later. Thus, there is a four month lag from the inception of an over- or under- recovery until it is refunded or collected on the retail customers' bill. Each month the retail customers' bill will include a single month's FAC over- or under-recovery amount. There is no

adjustment to remove any previous month's over- or under-recovery amount in calculating the current month's over- or under-recovery.

Under the environmental surcharge, the over- or under-recovery is determined during the periodic six-month and two-year surcharge review cases. Under normal circumstances, the over- or under-recovery determined during a surcharge review case will cover six months of surcharge operation and the amortization period of the over- or under-recovery has been six months. While the amortization results in an equal dollar amount being included in the retail customers' bills during the amortization period, rather than an amount that reflects month to month changes in sales volumes, it is essentially the same approach as the FAC. Each month during the amortization period will reflect a single month's surcharge over- or under-recovery amount. There have been no adjustments to remove any previous month's over- or under-recovery amount when calculating the current month's over- or under-recovery.

However, the processing of Case Nos. 2012-00486 and 2013-00140 were not normal circumstances. Case No. 2012-00486 reviewed the last six months of a two-year review period and two subsequent six-month review periods, for a total of 18 months of surcharge operations. The case was opened on November 16, 2012 and the Commission's final Order was dated August 2, 2013. Although the review period covered 18 months of surcharge operations, the over- and under-recoveries determined for the Member Cooperatives were amortized over six months. The first month of the amortization of the over- and under-recoveries was reflected in the Member Cooperatives' surcharge pass-through factors filed with the Commission on August 20, 2013. Case No. 2013-00140 covered a single six-month review period. This case was opened on May 14, 2013 and the Commission's final Order was dated September 17, 2013. The over- and under-recoveries determined for the Member Cooperatives were amortized over six months. The first month of the amortization of the over- and under-recoveries was reflected in the Member Cooperatives' surcharge pass-through factors filed with the Commission on September 20, 2013. Because of the number of review periods included in the two cases and the overlapping of the amortization periods for these two cases, over- and under-recoveries resulting from 24 months of surcharge operations were amortized over a total of seven months. Thus, the normal situation where six months of surcharge operations are reflected in six months of over- or under-recovery amortization no longer was in force. Without some adjustment to remove the effects

of amortizing over- or under-recoveries resulting from 24 months of surcharge operations over seven months, subsequent surcharge review over- and under-recovery calculations will be skewed.

Absent the results of the surcharge reviews in Case Nos. 2012-00486 and 2013-00140, there would be no need to propose a different treatment of over- or under-recovery in the environmental surcharge compared to the FAC treatment of over- or under-recovery.



Commission Staff's Third Request for Information
To East Kentucky Power Cooperative Inc.'s
Sixteen Member Distribution Cooperatives

11. For each of the member cooperatives, provide the following:
- a. Provide the schedules which support the amount of both the environmental surcharge revenues and the environmental surcharge expenses removed from their cost of service on Schedule S for each of their rate schedule filings which cover the period July 2005 through December 2013.

Response:

Schedule S for Case No.2008-00254 and 2012-00426 are attached.

- b. Provide an analysis comparing the monthly amounts in 11(a) above with the same monthly amounts the member cooperatives provided in their response to Staff's IC Information Request. Item No. 2.

Response:

No monthly amounts are available

- c. If there is a difference in the monthly revenue and/or expense amounts in the response to 11(b), provide a complete explanation of the reasons for the difference.

Response:

Not able to determine

Grayson Rural Electric
Case No. 2008-00254
Statement of Operations, Adjusted

Exhibit S
page 2 of 4
Witness: Alan Zumstein

	<u>Actual Test Year</u>	<u>Normalized Adjustments</u>	<u>Normalized Test Year</u>	<u>Proposed Increase</u>	<u>Proposed Test Year</u>	<u>EKPC 2008-00409</u>	<u>After EKPC 2008-00409</u>
Operating Revenues:							
Base rates	21,683,854	309,538	21,993,392	3,161,265	25,154,657	1,499,001	26,653,658
Fuel and surcharge	2,645,617	(2,645,617)	0		0		0
Other electric revenue	789,379	13,145	802,524		802,524		802,524
	<u>25,118,850</u>	<u>(2,322,934)</u>	<u>22,795,916</u>	<u>3,161,265</u>	<u>25,957,181</u>	<u>1,499,001</u>	<u>27,456,182</u>
Operating Expenses:							
Cost of power:							
Base rates	14,298,913	244,392	14,543,305		14,543,305	1,499,001	16,042,306
Fuel and surcharge	2,651,814	(2,651,814)	0		0		0
Distribution - operations	1,061,215	49,692	1,110,907		1,110,907		1,110,907
Distribution - maintenance	2,478,718	39,365	2,518,083		2,518,083		2,518,083
Consumer accounts	875,674	28,518	904,192		904,192		904,192
Customer service	194,688	5,910	200,598		200,598		200,598
Sales	34,444	1,448	35,892		35,892		35,892
Administrative and general	1,309,225	(67,732)	1,241,493		1,241,493		1,241,493
Total operating expenses	<u>22,904,691</u>	<u>(2,350,221)</u>	<u>20,554,470</u>	<u>0</u>	<u>20,554,470</u>	<u>1,499,001</u>	<u>22,053,471</u>
Depreciation	1,559,510	426,201	1,985,711		1,985,711		1,985,711
Taxes - other	26,326	0	26,326		26,326		26,326
Interest on long-term debt	1,446,899	257,075	1,703,974		1,703,974		1,703,974
Interest expense - other	166,228	(95,287)	70,941		70,941		70,941
Other deductions	12,800	(12,800)	0		0		0
Total cost of electric service	<u>26,116,454</u>	<u>(1,775,032)</u>	<u>24,341,422</u>	<u>0</u>	<u>24,341,422</u>	<u>1,499,001</u>	<u>25,840,423</u>
Utility operating margins	<u>(997,604)</u>	<u>(547,902)</u>	<u>(1,545,506)</u>	<u>3,161,265</u>	<u>1,615,759</u>	<u>0</u>	<u>1,615,759</u>
Nonoperating margins, interest	34,810	0	34,810		34,810		34,810
Nonoperating margins, other	(12,185)	0	(12,185)		(12,185)		(12,185)
Patronage capital credits	65,590	0	65,590		65,590		65,590
Net Margins	<u>(\$909,389)</u>	<u>(\$547,902)</u>	<u>(\$1,457,291)</u>	<u>\$3,161,265</u>	<u>\$1,703,974</u>	<u>\$0</u>	<u>\$1,703,974</u>
TIER	0.37		0.14		2.00		2.00

Tren 11
PAGE 2 OF 3

Grayson Rural Electric Cooperative

Case No. 2012-00426

Statement of Operations, Adjusted

ITEM 11
PAGE 3 OF 3

Exhibit S

page 2 of 4

Witness: Jim Adkins

	Actual Test Year	Normalized Adjustments	Normalized Test Year	Proposed Increase	Proposed Test Year
Operating Revenues:					
Base rates	26,132,515	32,442	26,164,957	2,063,535	28,228,492
Fuel and surcharge	2,124,407	(2,124,407)	-	-	-
Other electric revenue	1,043,073	(121,411)	921,662		921,662
	<u>29,299,995</u>	<u>(2,213,376)</u>	<u>27,086,619</u>	<u>2,063,535</u>	<u>29,150,154</u>
Operating Expenses:					
Cost of power:					
Base rates	16,754,918	-	16,754,918		16,754,918
Fuel and surcharge	2,086,626	(2,086,626)	-		-
Distribution - operations	1,145,370	18,900	1,164,270		1,164,270
Distribution - maintenance	2,950,336	40,808	2,991,144		2,991,144
Consumer accounts	1,057,413	26,289	1,083,702		1,083,702
Customer service	216,591	3,940	220,531		220,531
Sales	29,527	845	30,372		30,372
Administrative and general	1,851,689	(53,022)	1,798,667		1,798,667
	<u>26,092,470</u>	<u>(2,048,866)</u>	<u>24,043,604</u>	<u>-</u>	<u>24,043,604</u>
Total operating expenses					
Depreciation	2,944,782	38,090	2,982,872		2,982,872
Taxes - other	30,541	-	30,541		30,541
Interest on long-term debt	1,030,994	56,437	1,087,431		1,087,431
Interest expense - other	111,711	(35,691)	76,020		76,020
Other deductions	12,065	(19,002)	(6,937)		(6,937)
	<u>30,222,563</u>	<u>(2,009,032)</u>	<u>28,213,531</u>	<u>-</u>	<u>28,213,531</u>
Total cost of electric service					
Utility operating margins	(922,568)	(204,344)	(1,126,912)	2,063,535	936,623
Nonoperating margins, interest	29,873	-	29,873		29,873
Nonoperating margins, other	(47,666)	-	(47,666)		(47,666)
G & T capital credits	1,357,241	(1,357,241)	-		-
Patronage capital credits	168,601	-	168,601		168,601
	<u>585,481</u>	<u>(1,561,585)</u>	<u>(976,104)</u>	<u>2,063,535</u>	<u>1,087,431</u>
Net Margins					
TIER	1.57		0.10		2.00



Commission Staff's Third Request for Information
To East Kentucky Power Cooperative Inc.'s
Sixteen Member Distribution Cooperatives

12. For each of the member cooperatives, provide the following:
- a. The cumulative over/under recovery for the 24-month period ending December 31, 2013.

Response:

See Page 2 of 5

Accounting Period	EKPC (power bills)	Grayson (billed to mems)	monthly	(over)/under cumulative
January-12	243,615	239,594	4,021	4,021.00
February-12	184,170	162,305	21,865	25,886.00
March-12	131,654	122,991	8,663	34,549.00
April-12	134,443	139,169	(4,726)	29,823.00
May-12	177,828	182,188	(4,360)	25,463.00
June-12	223,682	250,141	(26,459)	(996.00)
July-12	238,279	222,282	15,997	15,001.00
August-12	197,923	184,291	13,632	28,633.00
September-12	167,705	155,940	11,765	40,398.00
October-12	193,487	229,455	(35,968)	4,430.00
November-12	269,043	265,479	3,564	7,994.00
December-12	301,360	346,437	(45,077)	(37,083.00)
January-13	255,641	267,698	(12,057)	(49,140.00)
February-13	218,798	212,892	5,906	(43,234.00)
March-13	206,664	177,584	29,080	(14,154.00)
April-13	174,900	158,740	16,160	2,006.00
May-13	175,775	188,114	(12,339)	(10,333.00)
June-13	241,146	259,985	(18,839)	(29,172.00)
July-13	241,843	234,962	6,881	(22,291.00)
August-13	211,525	218,956	(7,431)	(29,722.00)
September-13	182,445	172,401	10,044	(19,678.00)
October-13	166,161	203,924	(37,763)	(57,441.00)
November-13	244,702	295,344	(50,642)	(108,083.00)
December-13	297,351	337,194	(39,843)	(147,926.00)
Cumulative (from inception) (over)/under Recovery				(147,926)
Monthly Recovery (per month for six months)				(24,654)

East Kentucky Power Cooperative, Inc. - Distribution Cooperatives
 Pass Through Mechanism Report for Grayson RECC

Grayson RECC
 2014-00051
 Informal Conference
 Item 4
 Page 1 of 3

For the Month Ending February 2014

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Surcharge Factor Expense Month	EKPC CESF %	EKPC BESF %	EKPC MESF %	EKPC Monthly Revenues from Sales to Grayson	On-peak Revenue Adjustment	EKPC Net Monthly Sales to Grayson	EKPC 12-months Ended Average Monthly Revenue from Sales to Grayson	Grayson Revenue Requirement	Amortization of (Over)/Under Recovery	Grayson Net Revenue Requirement	Grayson Total Monthly Retail Revenues	On-Peak Retail Revenue Adjustment	Grayson Net Monthly Retail Revenues	12-months ended Avg. Retail Revenues, Net	Grayson Pass Through Mechanism Factor
			Col. (1) - Col. (2)			Col. (4) - Col. (5)		Col (8) - Col (7)		Col (8) + Col (9)			Col. (11) - Col. (12)		Col (10) / Col (14)
Mar-12	12.92%	0.00%	12.92%	\$ 1,221,280		\$ 1,221,280	\$ 1,385,926	\$ 179,062	\$ -	\$ 179,062	\$ 1,787,650		\$ 1,787,650	\$ 2,175,314	8.18%
Apr-12	14.94%	0.00%	14.94%	\$ 1,040,576		\$ 1,040,576	\$ 1,381,197	\$ 206,351	\$ -	\$ 206,351	\$ 1,702,854		\$ 1,702,854	\$ 2,173,210	9.49%
May-12	16.90%	0.00%	16.90%	\$ 1,190,268		\$ 1,190,268	\$ 1,384,500	\$ 233,981	\$ -	\$ 233,981	\$ 1,920,190		\$ 1,920,190	\$ 2,167,291	10.77%
Jun-12	15.55%	0.00%	15.55%	\$ 1,323,562		\$ 1,323,562	\$ 1,382,858	\$ 215,034	\$ -	\$ 215,034	\$ 2,322,310		\$ 2,322,310	\$ 2,171,985	9.92%
Jul-12	14.51%	0.00%	14.51%	\$ 1,532,349		\$ 1,532,349	\$ 1,377,759	\$ 199,913	\$ -	\$ 199,913	\$ 2,240,582		\$ 2,240,582	\$ 2,150,401	9.20%
Aug-12	14.13%	0.00%	14.13%	\$ 1,364,054		\$ 1,364,054	\$ 1,366,485	\$ 193,084	\$ -	\$ 193,084	\$ 2,003,047		\$ 2,003,047	\$ 2,149,380	8.98%
Sep-12	16.23%	0.00%	16.23%	\$ 1,186,878		\$ 1,186,878	\$ 1,363,159	\$ 221,241	\$ -	\$ 221,241	\$ 1,736,739		\$ 1,736,739	\$ 2,144,748	10.29%
Oct-12	17.57%	0.00%	17.57%	\$ 1,192,170		\$ 1,192,170	\$ 1,360,825	\$ 239,097	\$ -	\$ 239,097	\$ 2,229,863		\$ 2,229,863	\$ 2,151,228	11.15%
Nov-12	18.23%	0.00%	18.23%	\$ 1,531,266		\$ 1,531,266	\$ 1,371,481	\$ 250,021	\$ -	\$ 250,021	\$ 2,380,961		\$ 2,380,961	\$ 2,151,532	11.62%
Dec-12	14.61%	0.00%	14.61%	\$ 1,653,104		\$ 1,653,104	\$ 1,372,770	\$ 200,562	\$ -	\$ 200,562	\$ 2,985,010		\$ 2,985,010	\$ 2,168,086	9.32%
Jan-13	13.49%	0.00%	13.49%	\$ 1,749,768		\$ 1,749,768	\$ 1,375,719	\$ 185,584	\$ -	\$ 185,584	\$ 2,870,638		\$ 2,870,638	\$ 2,192,194	8.56%
Feb-13	12.61%	0.00%	12.61%	\$ 1,621,938		\$ 1,621,938	\$ 1,383,934	\$ 174,514	\$ -	\$ 174,514	\$ 2,486,872		\$ 2,486,872	\$ 2,222,226	7.96%
Mar-13	14.37%	0.00%	14.37%	\$ 1,638,898		\$ 1,638,898	\$ 1,418,736	\$ 203,872	\$ -	\$ 203,872	\$ 2,230,078		\$ 2,230,078	\$ 2,259,095	9.17%
Apr-13	14.27%	0.00%	14.27%	\$ 1,217,124		\$ 1,217,124	\$ 1,433,448	\$ 204,553	\$ -	\$ 204,553	\$ 1,731,363		\$ 1,731,363	\$ 2,261,471	9.05%
May-13	17.97%	0.00%	17.97%	\$ 1,231,787		\$ 1,231,787	\$ 1,436,908	\$ 258,212	\$ -	\$ 258,212	\$ 2,078,566		\$ 2,078,566	\$ 2,274,669	11.42%
Jun-13	17.09%	0.00%	17.09%	\$ 1,341,939		\$ 1,341,939	\$ 1,438,440	\$ 245,829	\$ -	\$ 245,829	\$ 2,277,124		\$ 2,277,124	\$ 2,270,904	10.81%
Jul-13	15.77%	0.00%	15.77%	\$ 1,415,122		\$ 1,415,122	\$ 1,428,671	\$ 225,301	\$ (488)	\$ 224,813	\$ 2,173,370		\$ 2,173,370	\$ 2,265,303	9.90%
Aug-13	15.49%	0.00%	15.49%	\$ 1,341,311		\$ 1,341,311	\$ 1,426,775	\$ 221,008	\$ (6,503)	\$ 214,505	\$ 2,211,397		\$ 2,211,397	\$ 2,282,665	9.47%
Sep-13	14.93%	0.00%	14.93%	\$ 1,177,821		\$ 1,177,821	\$ 1,426,021	\$ 212,905	\$ (6,503)	\$ 206,402	\$ 1,820,885		\$ 1,820,885	\$ 2,289,677	9.04%
Oct-13	16.69%	0.00%	16.69%	\$ 1,112,940		\$ 1,112,940	\$ 1,419,418	\$ 236,901	\$ (6,503)	\$ 230,398	\$ 2,256,316		\$ 2,256,316	\$ 2,291,882	10.06%
Nov-13	17.43%	0.00%	17.43%	\$ 1,466,165		\$ 1,466,165	\$ 1,413,993	\$ 246,459	\$ (6,503)	\$ 239,956	\$ 2,938,645		\$ 2,938,645	\$ 2,338,355	10.47%
Dec-13	14.54%	0.00%	14.54%	\$ 1,705,975		\$ 1,705,975	\$ 1,418,399	\$ 206,235	\$ (6,503)	\$ 199,732	\$ 3,222,913		\$ 3,222,913	\$ 2,358,181	8.54%
Jan-14	10.92%	0.00%	10.92%	\$ 2,160,746		\$ 2,160,746	\$ 1,452,647	\$ 158,629	\$ (6,015)	\$ 152,614	\$ 3,479,636		\$ 3,479,636	\$ 2,408,930	6.47%
Feb-14	5.44%	0.00%	5.44%	\$ 1,773,121		\$ 1,773,121	\$ 1,465,246	\$ 79,709	\$ -	\$ 79,709					3.31%

Notes:
 Grayson Total Monthly Retail Revenues in Column (11) Includes demand and energy charges, customer charges, and FAC revenues.
 Revenues reported in Columns (4), (6), (7), (11), (13), and (14) are net of Green Power Revenues.

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East Kentucky Power Cooperative, Inc. - Distribution Cooperatives
 Pass Through Mechanism Report for Grayson RECC

Grayson RECC
 2014-00051
 Informal Conference
 Item 4
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For the Month Ending February 2014

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Surcharge Factor Expense Month	EKPC CESF %	EKPC BESF %	EKPC MESF %	EKPC Monthly Revenues from Sales to Grayson	On-peak Revenue Adjustment	EKPC Net Monthly Sales to Grayson	EKPC 12-months Ended Average Monthly Revenue from Sales to Grayson	Grayson Revenue Requirement	Amortization of (Over)/Under Recovery	Grayson Net Revenue Requirement	Grayson Total Monthly Retail Revenues	On-Peak Retail Revenue Adjustment	Grayson Net Monthly Retail Revenues	12-months ended Avg. Retail Revenues, Net	Grayson Pass Through Mechanism Factor
			Col. (1) - Col. (2)			Col. (4) - Col. (5)		Col. (3) x Col. (7)		Col. (8) + Col. (9)			Col. (11) - Col. (12)		Col. (10) / Col. (14)
Mar-12	12.92%	0.00%	12.92%	\$ 1,221,280		\$ 1,221,280	\$ 1,385,926	\$ 179,062	\$ -	\$ 179,062	\$ 1,787,650		\$ 1,787,650	\$ 2,175,314	8.18%
Apr-12	14.94%	0.00%	14.94%	\$ 1,040,576		\$ 1,040,576	\$ 1,381,197	\$ 206,351	\$ -	\$ 206,351	\$ 1,702,854		\$ 1,702,854	\$ 2,173,210	9.49%
May-12	16.90%	0.00%	16.90%	\$ 1,190,268		\$ 1,190,268	\$ 1,384,500	\$ 233,981	\$ -	\$ 233,981	\$ 1,920,190		\$ 1,920,190	\$ 2,167,291	10.77%
Jun-12	15.55%	0.00%	15.55%	\$ 1,323,562		\$ 1,323,562	\$ 1,382,858	\$ 215,034	\$ -	\$ 215,034	\$ 2,322,310		\$ 2,322,310	\$ 2,171,985	9.92%
Jul-12	14.51%	0.00%	14.51%	\$ 1,532,349		\$ 1,532,349	\$ 1,377,759	\$ 199,913	\$ -	\$ 199,913	\$ 2,240,582		\$ 2,240,582	\$ 2,150,401	9.20%
Aug-12	14.13%	0.00%	14.13%	\$ 1,364,054		\$ 1,364,054	\$ 1,366,485	\$ 193,084	\$ -	\$ 193,084	\$ 2,003,047		\$ 2,003,047	\$ 2,149,380	8.98%
Sep-12	16.23%	0.00%	16.23%	\$ 1,186,878		\$ 1,186,878	\$ 1,363,159	\$ 221,241	\$ -	\$ 221,241	\$ 1,736,739		\$ 1,736,739	\$ 2,144,748	10.29%
Oct-12	17.57%	0.00%	17.57%	\$ 1,192,170		\$ 1,192,170	\$ 1,360,825	\$ 239,097	\$ -	\$ 239,097	\$ 2,229,863		\$ 2,229,863	\$ 2,151,228	11.15%
Nov-12	18.23%	0.00%	18.23%	\$ 1,531,266		\$ 1,531,266	\$ 1,371,481	\$ 250,021	\$ -	\$ 250,021	\$ 2,380,961		\$ 2,380,961	\$ 2,151,532	11.62%
Dec-12	14.61%	0.00%	14.61%	\$ 1,653,104		\$ 1,653,104	\$ 1,372,770	\$ 200,562	\$ -	\$ 200,562	\$ 2,985,010		\$ 2,985,010	\$ 2,168,086	9.32%
Jan-13	13.49%	0.00%	13.49%	\$ 1,749,768		\$ 1,749,768	\$ 1,375,719	\$ 185,584	\$ -	\$ 185,584	\$ 2,870,638		\$ 2,870,638	\$ 2,192,194	8.56%
Feb-13	12.61%	0.00%	12.61%	\$ 1,621,938		\$ 1,621,938	\$ 1,383,934	\$ 174,514	\$ -	\$ 174,514	\$ 2,486,872		\$ 2,486,872	\$ 2,222,226	7.96%
Mar-13	14.37%	0.00%	14.37%	\$ 1,638,898		\$ 1,638,898	\$ 1,418,736	\$ 203,872	\$ -	\$ 203,872	\$ 2,230,078		\$ 2,230,078	\$ 2,259,095	9.17%
Apr-13	14.27%	0.00%	14.27%	\$ 1,217,124		\$ 1,217,124	\$ 1,433,448	\$ 204,553	\$ -	\$ 204,553	\$ 1,731,363		\$ 1,731,363	\$ 2,261,471	9.05%
May-13	17.97%	0.00%	17.97%	\$ 1,231,787		\$ 1,231,787	\$ 1,436,908	\$ 258,212	\$ -	\$ 258,212	\$ 2,078,566		\$ 2,078,566	\$ 2,274,669	11.42%
Jun-13	17.09%	0.00%	17.09%	\$ 1,341,939		\$ 1,341,939	\$ 1,438,440	\$ 245,829	\$ -	\$ 245,829	\$ 2,277,124		\$ 2,277,124	\$ 2,270,904	10.81%
Jul-13	15.77%	0.00%	15.77%	\$ 1,415,122		\$ 1,415,122	\$ 1,428,671	\$ 225,301	\$ (488)	\$ 224,813	\$ 2,173,370		\$ 2,173,370	\$ 2,265,303	9.90%
Aug-13	15.49%	0.00%	15.49%	\$ 1,341,311		\$ 1,341,311	\$ 1,426,775	\$ 221,008	\$ (31,157)	\$ 189,851	\$ 2,211,397		\$ 2,211,397	\$ 2,282,665	8.38%
Sep-13	14.93%	0.00%	14.93%	\$ 1,177,821		\$ 1,177,821	\$ 1,426,021	\$ 212,905	\$ (31,157)	\$ 181,748	\$ 1,820,885		\$ 1,820,885	\$ 2,289,677	7.96%
Oct-13	16.69%	0.00%	16.69%	\$ 1,112,940		\$ 1,112,940	\$ 1,419,418	\$ 236,901	\$ (31,157)	\$ 205,744	\$ 2,256,316		\$ 2,256,316	\$ 2,291,882	8.99%
Nov-13	17.43%	0.00%	17.43%	\$ 1,466,165		\$ 1,466,165	\$ 1,413,993	\$ 246,459	\$ (31,157)	\$ 215,302	\$ 2,938,645		\$ 2,938,645	\$ 2,338,355	9.39%
Dec-13	14.54%	0.00%	14.54%	\$ 1,705,975		\$ 1,705,975	\$ 1,418,399	\$ 206,235	\$ (31,157)	\$ 175,078	\$ 3,222,913		\$ 3,222,913	\$ 2,358,181	7.49%
Jan-14	10.92%	0.00%	10.92%	\$ 2,160,746		\$ 2,160,746	\$ 1,452,647	\$ 158,629	\$ (31,157)	\$ 127,472	\$ 3,479,636		\$ 3,479,636	\$ 2,408,930	5.41%
Feb-14	5.44%	0.00%	5.44%	\$ 1,773,121		\$ 1,773,121	\$ 1,465,246	\$ 79,709	\$ -	\$ 79,709					3.31%

Notes:
 Grayson Total Monthly Retail Revenues in Column (11) includes demand and energy charges, customer charges, and FAC revenues. Revenues reported in Columns (4), (6), (7), (11), (13), and (14) are net of Green Power Revenues.

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b. If the amount provided in 12(a) above is amortized over a six-month period, provide the bill impact on the average residential customer.

Response:

Impact of Additional Over Recovery

Actual Over Recovery

Additional Recovery

Average Residential Usage per Month

1,162 kwh

Average Monthly Bill

Customer Charge		\$ 15.00		\$ 15.00
Kwh Charge @	0.10910	\$ 126.77	0.10910	\$ 126.77
Fuel Adjustment (January 2014) @	0.001326	\$ 1.54	0.001326	\$ 1.54
ESC (January 2014)	6.47%	<u>\$ 9.27</u>	5.41%	<u>\$ 7.75</u>
Total Bill Amount		<u>\$ 152.59</u>		<u>\$ 151.07</u>

Dollar Impact

\$ (1.52)



Commission Staff's Third Request for Information
To East Kentucky Power Cooperative Inc.'s
Sixteen Member Distribution Cooperatives

13. For each of the member cooperatives, provide the following:

a. Provide the billing cycles and billing dates for each cycle in the month of July 2013.

Response:

Grayson has one cycle (July 21 – August 20) Billed August 28th

b. For each billing cycle in July 2013, provided the environmental surcharge factor that was billed to customers.

Response: 10.81%